# Six Minute Strategy

## The return of Goldilocks

## August 2026

**Marketing communication**

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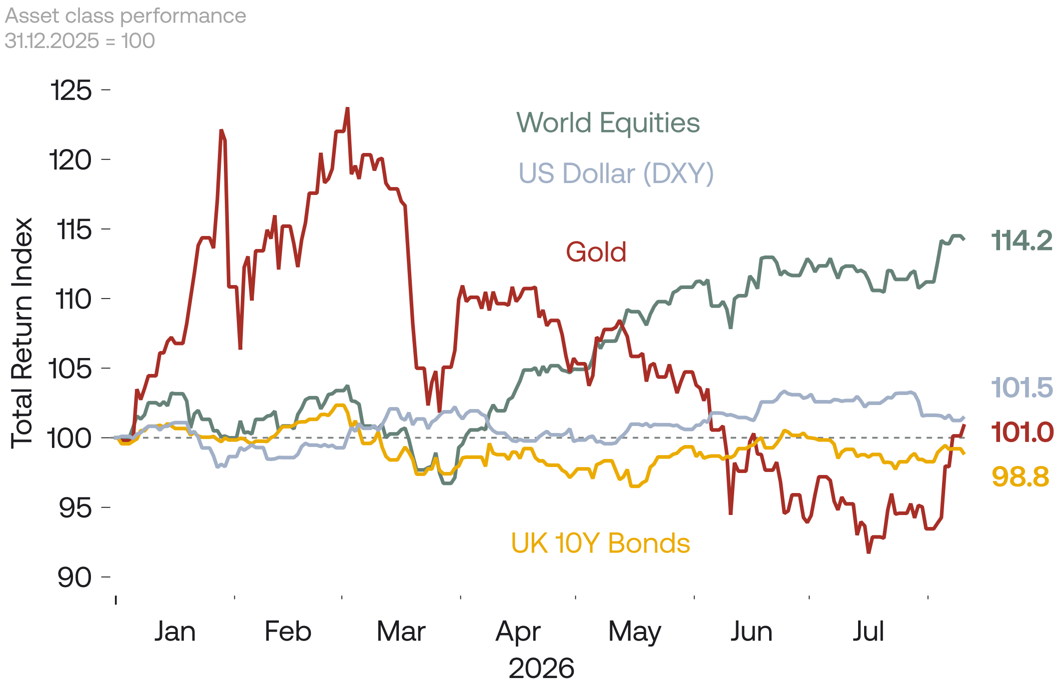
# Global equity and asset class performance

## Equity recovery continues despite war

### Quality and consistent dividend flows not rewarded in 2025/6


Source: Macrobond, 11.08.26

### Other assets: Traditional safe havens have not performed in the US-Iran conflict




Source: Macrobond, 11.08.26

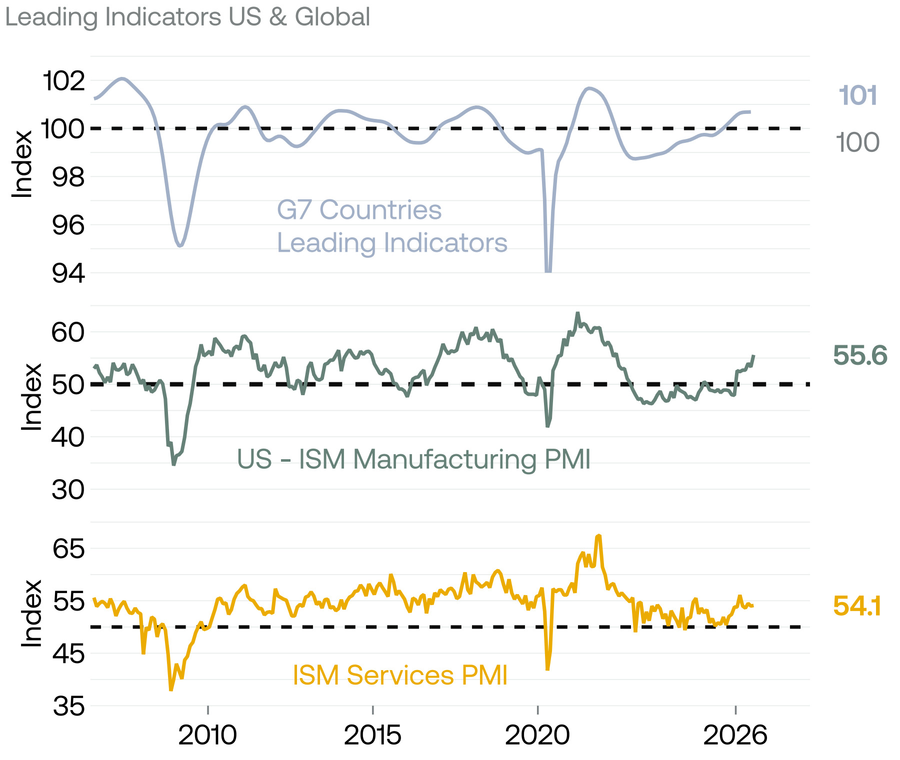
**Past performance is not a reliable indicator of future results and may not be repeated.**

*MSCI Quality index aims to capture the performance of quality growth stocks by identifying stocks with high quality scores based on three main fundamental variables: high return on equity (ROE), stable year-over-year earnings growth and low financial leverage.

# 1. The global economy accelerates

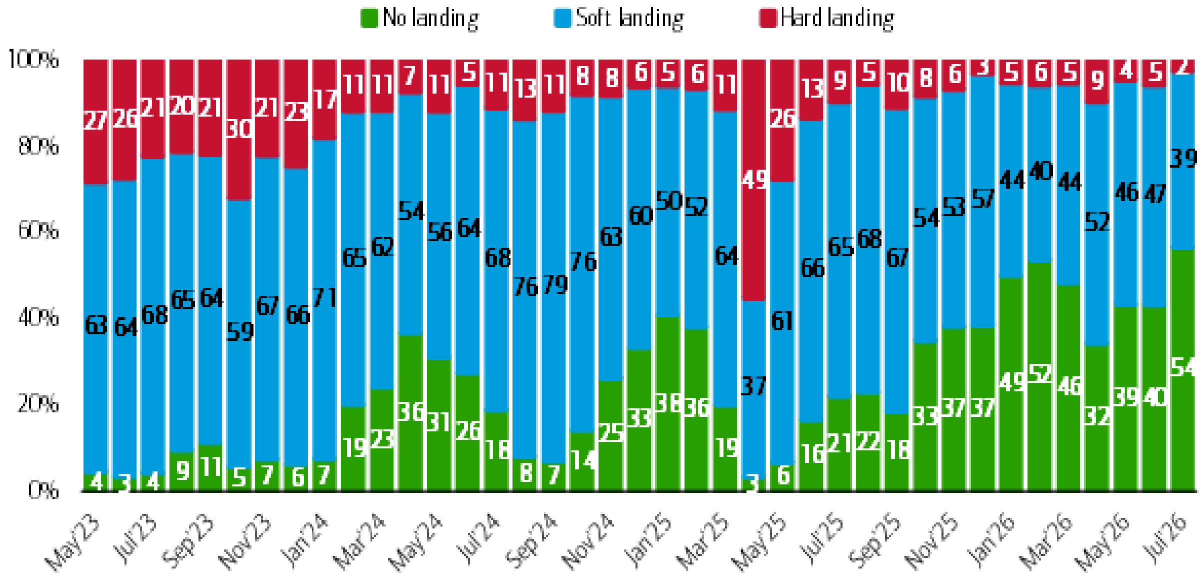
## Leading indicators climb - fund managers are talking of 'no landing'

### Global leading indicators climb - US manufacturing strong




Source: Macrobond, 11.08.26

### BofA Global Fund Manager Survey show highest reading for a 'no landing' economic outlook



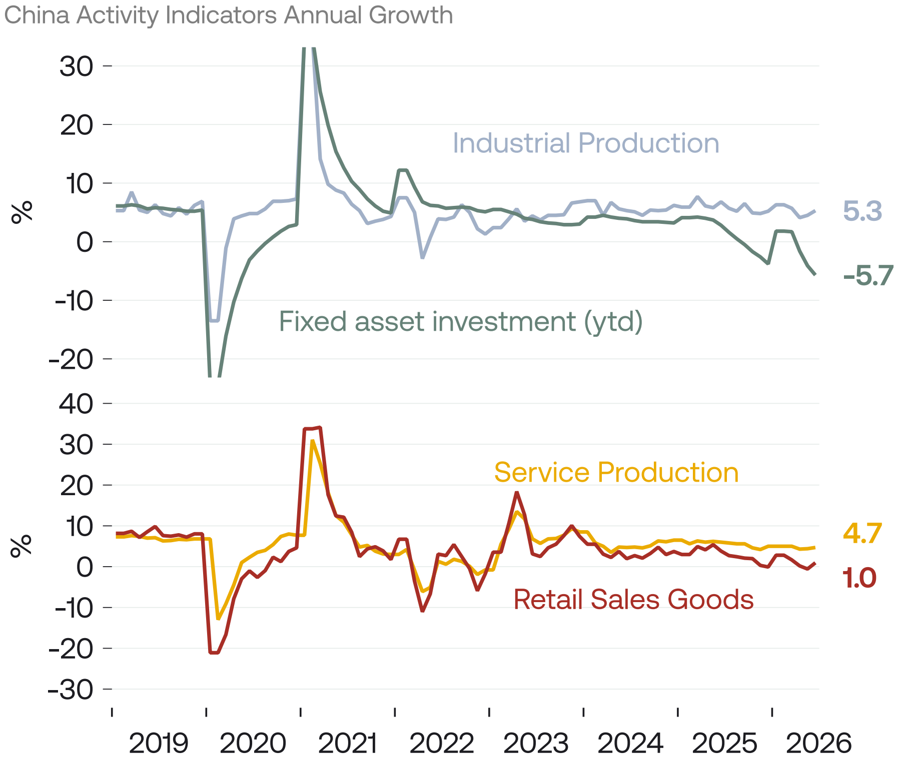

**AI Capex, wealth effects and government spending all running hot**

Source: BofA Global Fund Manager Survey, July 2026

# 2. China domestic growth stalls

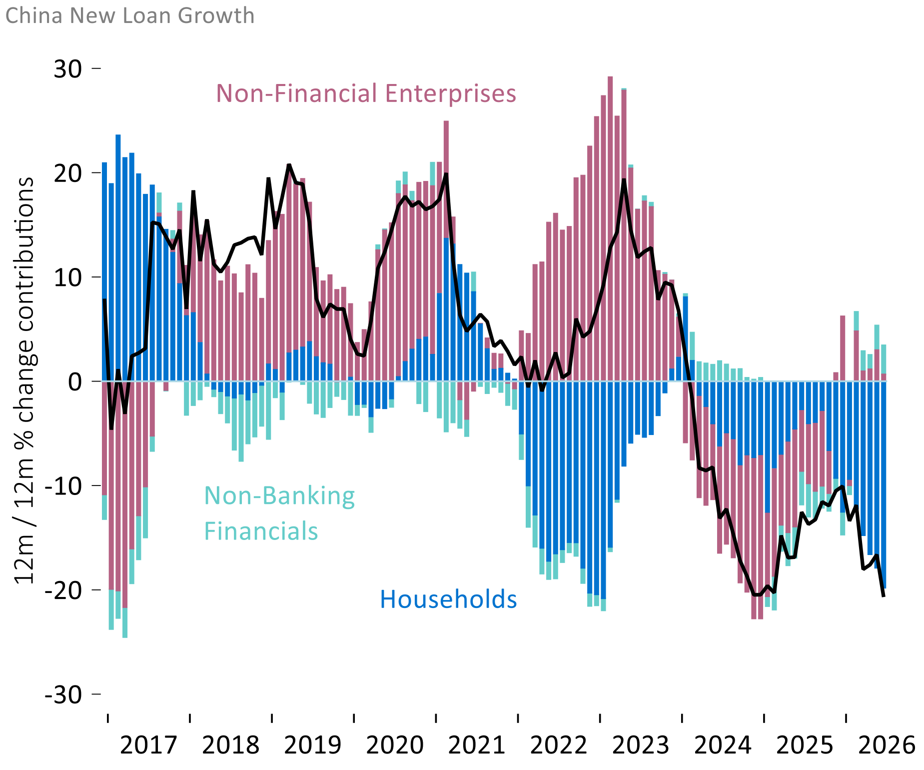
## Retail sales and capital spending remain weak - new loan growth contracting

### Fixed asset investment falling - retail sales weak




Source: Macrobond, 03.08.26

### China loan growth – business and household loans still contracting




Source: Macrobond, 10.08.26

**Past performance is not a reliable indicator of future results and may not be repeated.**

# 3. Oil price impact modest

## Real oil price well below historic highs – US energy intensity transformed


Source: Macrobond, 11.08.26

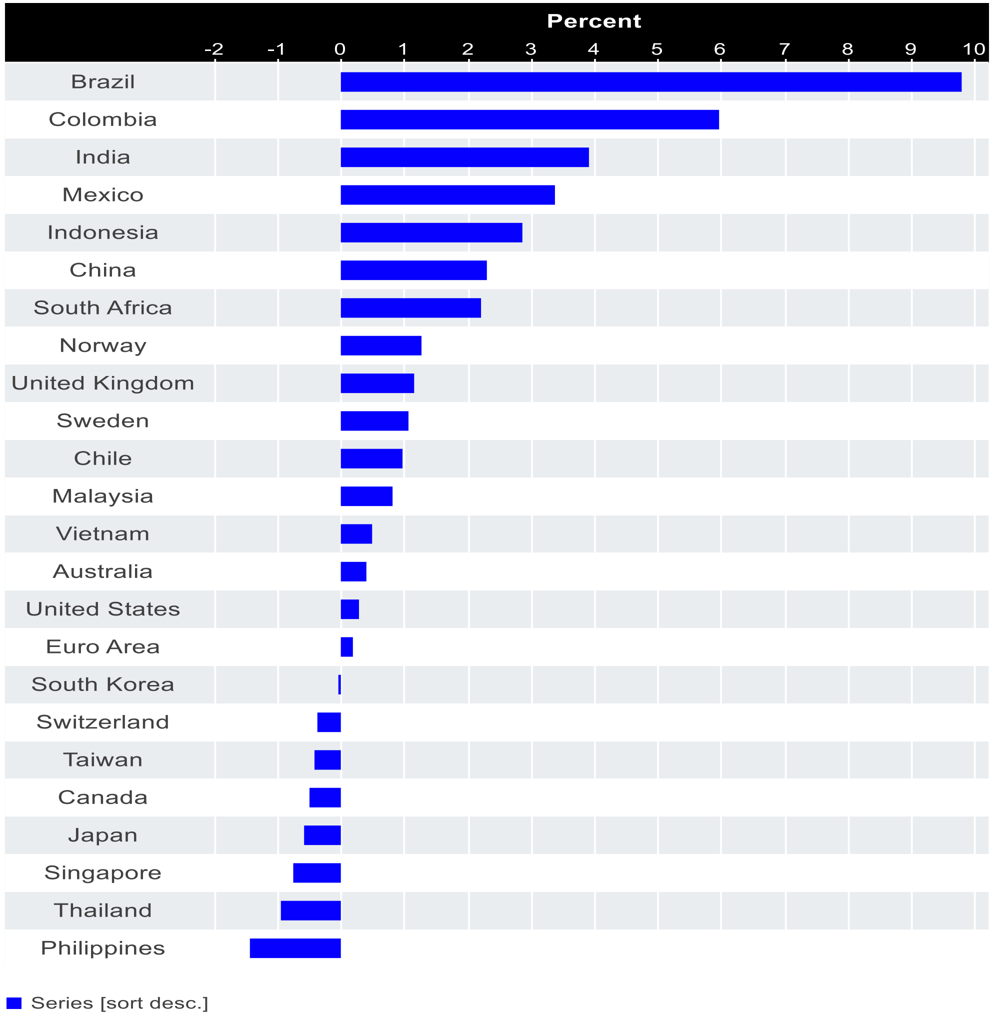
**Past performance is not a reliable indicator of future results and may not be repeated.**

# 4. Monetary policy is still loose

## Warsh must dispel doubts that the President sways his judgement

### Monetary conditions are still loose for much of the developed world

Real interest rates

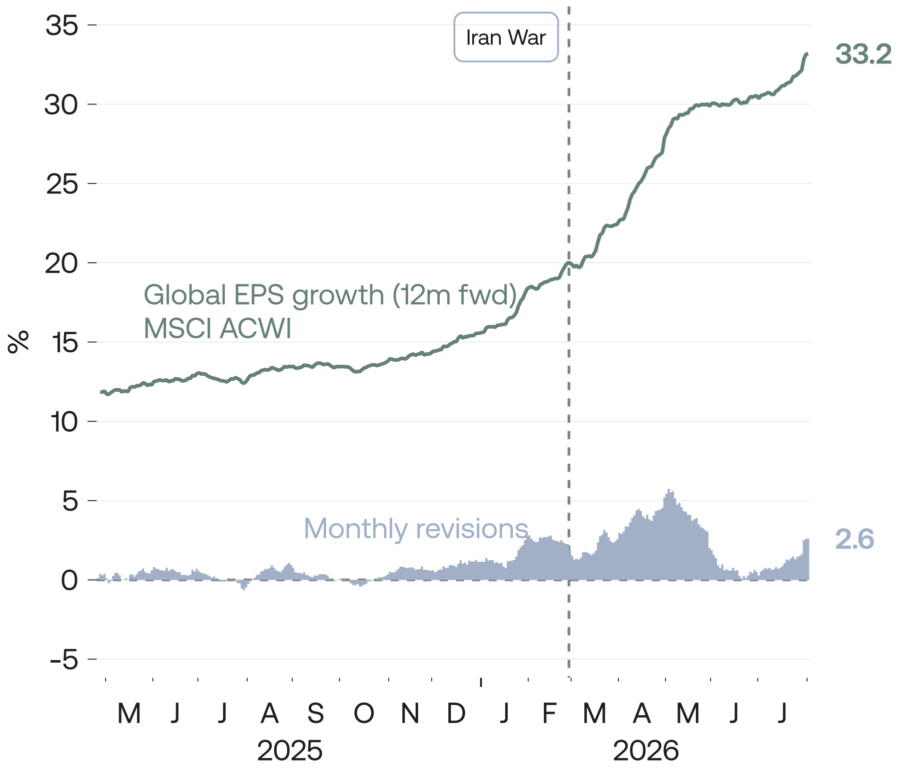



Source: Macrobond, August 2026

# Implication for global equities

## Overweight equity stance on robust earnings and dividend growth

### Earnings strong despite Iran war – revisions positive




Source: Macrobond, 03.08.26

### Key market risks

1. **Inflation could remain persistent** – as economies run hot
2. **AI returns could prove elusive** – earnings shock would risk derating in global markets
3. **Liquidity / credit squeeze** – rising net issuance in equity and bond markets could raise funding costs

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